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BELLSOUTH

W. W. (Whit) Jordan
Director-Federal Regulatory

Suite 900
1133-21st Street, N.W.
Washington, D.C. 20036
202 463-4114

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November 10, 1992

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Ms. Donna A. Searcy
Secretary
1919 "M" Street N.W., Room 222
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: CC Docket No. 92-24 and File No. 93 - Toll Fraud-01

Dear Ms. Searcy:

Today Larry Kepfer, Julia Strow, Rick Tice and the undersigned, all representing BellSouth, met with Judy Argentieri, Linda Dubroff, Marian Gordon, Kent Nilsson, and Kurt Schroeder of the Common Carrier Bureau to discuss measures BellSouth has taken or plans to take to detect and prevent toll fraud. The attached material was used during this meeting.

Please call me if you have any questions.

Sincerely,



W.W. (Whit) Jordan
Director - Federal Regulatory

Attachment

cc: Judy Argentieri
Linda Dubroff
Marian Gordon
Kent Nilsson
Kurt Schroeder

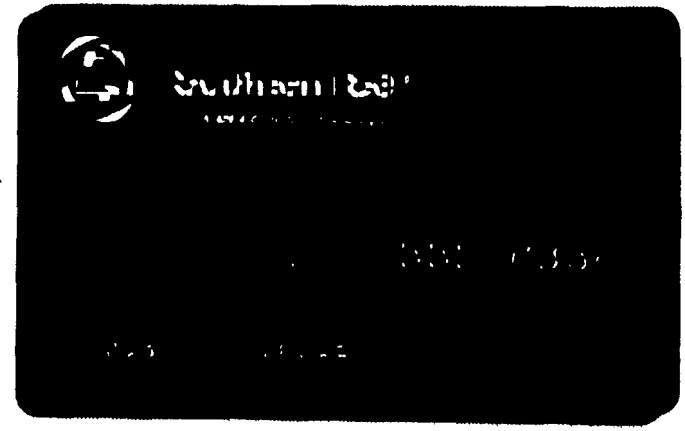
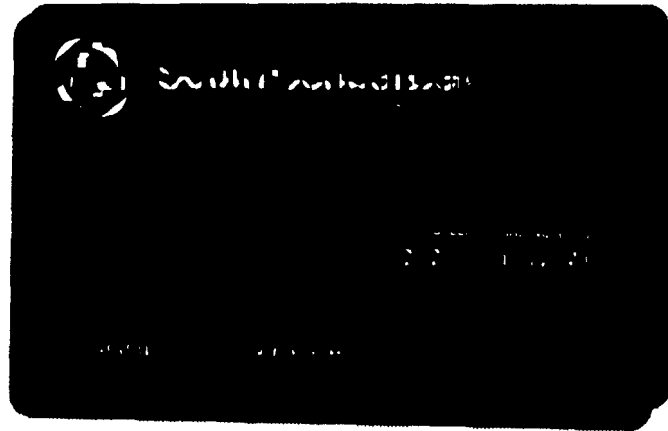
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BELLSOUTH TELECOMMUNICATIONS TOLL FRAUD CONTROL

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BELL SOUTH TELECOMMUNICATIONS TOLL FRAUD CONTROL

- **BellSouth Objective - Minimize IC exposure to fraud associated with BellSouth Calling Card and other alternate billing numbers.**

BELL SOUTH TOLL FRAUD CONTROL SYSTEM

- **Data Base Administration System (DBAS)**
- **Line Information Data Base (LIDB)**
- **BellSouth Fraud Control Center**

DATA BASE ADMINISTRATION SYSTEM (DBAS)

- **Located Birmingham - Atlanta**
- **Fed from Customer Service Orders**
- **Updates LIDB daily**
- **Continuous audit process to insure LIDB accuracy**
- **Replacement System 4Q92**

BELL SOUTH LIDB

- Redundant LIDBs in Birmingham - Atlanta to insure availability
- Each LIDB contains over 30m records
 - All working BellSouth lines
 - BellSouth calling card data
 - BellSouth pay telephone data
 - BellSouth billed number screening data
 - Independent telephone data

BELLSOUTH FRAUD CENTER

- **Established to better meet IC Calling Card fraud needs**
- **Located Columbia S. C.**
- **24 hr./7 day a week coverage**

BELL SOUTH FRAUD CONTROL SYSTEM

Enhances LIDB - allows for earlier detection of fraud

- **On-line calling card usage, data gathering and storing system**
- **Automatically receives and distributes high calling card usage alerts**
- **Incorporates IC referrals and high toll referrals into system**
- **System provides access to calling card history file - customer billing records for case analysis**
- **System provides ability to instantly deactivate card if fraud detected**



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FRAUD ALERT PRIORITIZATION

LIDB

IC REFERRALS

CALLING CARD WARNING LIST

LIDB



IC REFERRALS



CLUE

FRAUD SYSTEM

**CALLING CARD
WARNING LIST**



CLUE

PERIOD SYSTEM

CASE PRESENTATION

- STANDARD FORMAT FOR ALL SOLUTIONS
- CONTAIN ALL INFORMATION PROVIDED BY SOURCE
- PREVIOUS CASE

TREND DEVELOPMENT

THIRTEENHOLDERS

ESTABLISHED
FURNISHED
CAPABILITY OF QUANTITY
LIST OF LOGS
IMPROVED
MEANS BUSINESS PROCEEDS

HISTORY

TO REVEAL THE PROVISIONS
OF THE PROVISIONS
AND THE PROVISIONS
AND THE PROVISIONS
AND THE PROVISIONS

INVESTIGATION PROCEDURES

ANALYZE RESOURCES

- PREVIOUS 3 MONTHS BILLING
- PREVIOUS ADJUSTMENTS
- HISTORY FILE

ALERT

ALERT

CUSTOMER CONTROL

DISPOSITION OF ALERT

- DEACTIVATE CALLING CARD
- DISABLE CALLING CARD
- ACTIVATE NEW PIN
- GENERATE SERVICE ORDER ACTIVITY
- BOCRIS MEMO UPDATED



BELLSOUTH FRAUD CENTER

June - July - August - September 1992

CASE DATA

19,830 Resolved Cases

5,081 (26%) Fraud

BELLSOUTH FRAUD CENTER STAFF

2	Managers
2	Assistant Managers
<u>20</u>	Investigators
24	Total

BELL COUNTY REPAIR CENTER

June - July - August - September 1992

CASE DATA

19,830	Resolved Cases
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5,081 (26%)	Fraud
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BELLSOUTH FRAUD CENTER Future Plans

- **MID 1993 Enhance fraud center to provide**
 - **Billed to third thresholding**
 - **International thresholding**
 - **Enhanced calling card thresholding**

BELLSOUTH INDUSTRY PARTICIPATION

- Active member of the Toll Fraud Prevention Committee (TFPC)
 - LEC Co-chair November 1988 - May 1991
- Active member of the Communications Fraud Control Association
- Conducted seminars with ICs to educate PBX users on Remote Access Fraud

IMPLEMENTED TFPC RECOMMENDATIONS

- Deployment of switch feature to prevent secondary dial tone
 - Approximate cost of \$1800/switch
- Began assigning all coin lines (BOC and COCOT) in 8XXX/9XXX Series
 - Established thresholds to identify any BOC payphone being abused

SPECIFIC BELLSOUTH ACTIONS

- Request to Bellcore for 800 database enhancements to detect hacking on 800 numbers.
- Thresholds being established to detect high volumes of direct dialed international calling.
- Subscription Fraud perpetrator profiles have been developed for BellSouth Business/Residence Office and Installation personnel. Ongoing awareness training is being conducted.
- Coin Line service will be made available to Private Payphone providers in 1993.